

GREENBERG TRAURIG, LLP

ATTORNEYS AT LAW
SUITE 700
2375 EAST CAMELBACK ROAD
PHOENIX, ARIZONA 85016
(602) 445-8000

Frank G. Long (SBN 012245); LongF@gtlaw.com
Katherine V. Brown (SBN 026546); BrownKa@gtlaw.com
*Attorneys for Plaintiff BBK Tobacco & Foods, LLP,
d/b/a HBI International*

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

BBK Tobacco & Foods, LLP, an Arizona
limited liability partnership, d/b/a HBI
International,

Plaintiff,

vs.

Vapour Ltd, a Seychelles business entity;
OTC Productions, Inc., a Seychelles
business entity; 1673030 Alberta, Inc., a
Canadian business entity; Nikki's Vapor
Bar, USA, Inc., a Delaware Corporation;
Best Product Technology Ltd., a Seychelles
business entity; Doe Corporations XX
through ZZ; and Doe Individuals 1 through
10,

Defendants.

Case No. 2:13-cv-00070-GMS

**PLAINTIFF'S SUPPLEMENTAL
RESPONSE IN OPPOSITION TO
MOTION TO DISMISS PURSUANT
TO FRCP RULE 12(B)(2) AND, IN
THE ALTERNATIVE, RULE
12(B)(3)**

Plaintiff BBK Tobacco & Foods, LLP, d/b/a HBI International ("Plaintiff") filed its Response In Opposition to Motion to Dismiss Pursuant to FRCP 12(b)(2) and, in the Alternative, Rule 12(b)(2) on November 18, 2013 (Dkt. No. 59) (the "Response") in response to a Motion to Dismiss filed by Defendant Nikki's Vapor Bar, USA, Inc. ("Nikki's Motion"). Plaintiff now hereby respectfully requests the Court consider this Supplemental Response and review the evidence, discovered since the filing of the Response, that further supports this Court's exercise of personal jurisdiction over the Defendant Nikki's Vapor Bar, USA, Inc. ("Defendant"). Defendant has consented to the filing of this Supplemental Response and the parties have sought permission from the

1 Court for this filing along with an extension of time for Defendant to file its Reply in
 2 Support of the Nikki's Motion (*see* Dkt. No. 63).

3 **BACKGROUND**

4 In preparing a response to Defendant 1673030 Alberta, Inc.'s Motion to Dismiss
 5 Pursuant to FRCP Rules 12(b)(2) and 12(b)(5) and, in the Alternative, Rule 12(b)(3) (the
 6 "Alberta Motion"), Plaintiff uncovered facts that are relevant to its Response to Nikki's
 7 Motion and is further evidence that the Court may exercise personal jurisdiction of
 8 Defendant Nikki's Vapor Bar, USA, Inc. ("Defendant") in Arizona. Specifically, Plaintiff
 9 discovered that Defendant is selling the infringing products to Arizona.

10 Plaintiff discovered Defendant's sale of the infringing product in Arizona when
 11 the Arizona-based Managing Member of the limited liability company that is the General
 12 Partner of Plaintiff placed an order for the infringing product, offered for sale on a
 13 website with the domain name www.juicyejuice.com. *See* Declaration of Joshua
 14 Kesselman attached as **Appendix A** ("Kesselmann Suppl. Declaration") at ¶ 5. The
 15 www.juicyejuice.com domain name for www.juicyejuice.com is registered by co-
 16 Defendant Vapour Ltd ("Vapour"), *see* Second Amended Complaint (Dkt No. 32) at ¶
 17 101, and provides access to a website operated by Co-Defendant 1673030 Alberta, Inc.
 18 ("Alberta") as the retail and ecommerce platform for the sale of e-liquid and e-sticks. *Id.*
 19 at ¶¶ 110-113.

20 The purchase order for the infringing product was charged to a seller named
 21 "Nikki's Liquid" and shipped from a mailing address that is the same as the address for
 22 Defendant. Plaintiff received an e-mail communication that informed the Plaintiff that
 23 the credit card charge for the infringing product would identify the seller as "Nikki's
 24 Liquid." Kesselmann Suppl. Declaration at ¶¶ 7-14. Thereafter, Plaintiff received the
 25 infringing product in a package delivered to Plaintiff at its Arizona office and bearing a
 26 return address that identified the sender as "Juicy" with the street address of 1781
 27 Independence Boulevard in Saratoga, Florida. *Id.* at ¶¶ 16-19.

This is the same address listed on promotional email solicitations Plaintiff received from sales@estick.com, solicitations previously discussed in the Response. *Id.* at ¶¶ 21-23. These solicitations identified the sender as Nikki's Vapor Bar at 1781 Independence Boulevard in Saratoga, Florida, the same address that was listed on the mailing envelope sent to Arizona, which contained the product ordered by Plaintiff. *Id.* at ¶¶ 21-23.

Additional details about the purchase of the product and the corresponding communications are included in the Kesselman Suppl. Declaration.

LEGAL ARGUMENT

The newly discovered facts disclose that Defendant, along with co-Defendants Vapour and Alberta, is involved in the sale, fulfillment and shipment of the infringing products in Arizona. Therefore, these facts, along with the other facts in the record, confirm that this Court has an ample factual foundation for exercising personal jurisdiction over Defendant in this case.¹

As noted in the Plaintiff's Response, specific personal jurisdiction in trademark infringement matters is evaluated under the purposeful direction test using the three-part test from *Calder v. Jones*, 465 U.S. 783, 104 S.Ct. 1482 (1984). *See Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1321-22 (9th Cir. 1998) (analyzing trademark dilution claims under the effects test).² That test looks to whether the defendant: "(1) committed an intentional act, (2) expressly aimed at the forum state, (3) causing harm that the defendant knows is likely to be suffered in the forum state." *Brayton Purcell LLP v. Recordon & Recordon*, 606 F.3d 1124, 1128 (9th Cir. 2010) (discussing the "effects test"). The newly discovered evidence provides additional, even dispositive, evidence

¹ The evident involvement of Defendant in the sale of the infringing products through a co-Defendant's website suggest either that Defendant parsed its words carefully, when it stated in Nikki's Motion that Defendant "has not even sold any of the alleged infringing products to persons or businesses in Arizona," see Nikki's Motion at 2, or that the sale of the infringing products to Arizona was, as Plaintiff suggested in its Response, merely a matter of time, given the evident design of Defendant's own website for such sales.

² Many cases applying the test from *Calder* continue to refer to "purposeful availment" instead of "purposeful direction."

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GREENBERG TRAURIG
 2375 EAST CAMELBACK ROAD, SUITE 700
 PHOENIX, ARIZONA 85016
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1 that Defendant's activities satisfy all three requirements of that test for specific
 2 jurisdiction, assuming that the Court does not find Defendant's overall activities
 3 sufficient to support general jurisdiction.

4 In situations involving intellectual property infringement, this Court has
 5 recognized that "shipping a product to a state qualifies as purposeful direction under the
 6 law of the Federal Circuit and if that product is the alleged infringing product, the first
 7 two prongs of the specific jurisdiction text are met." *CSR Technology, Inc. v. Bandspeed,*
 8 *Inc.*, CV -11-1948-PHX-GMS, 2012 WL 1150863 (D. Ariz., April 5, 2012) at *2
 9 (citations omitted). Therefore, this Court held in that case, that: "[s]ince the consumer
 10 was able to purchase the product directly from Defendant by visiting Defendant's website
 11 and clicking on the "buy now" link, the internet and whichever carrier Defendant used to
 12 ship the product served as a distribution network, and the transaction provided the
 13 minimum contacts necessary to satisfy the first two prongs of the test for specific
 14 jurisdiction." *Id.* at *4.

15 The rule in the Ninth Circuit is no different. *See e.g., Stomp, Inc. v. NeatO*, 61
 16 F.Supp.2d 1074 (C.D. Cal. 1999); *Park Inns International v. Pacific Plaza Hotels* 5 F.
 17 Supp. 2d 762 (D. Ariz. 1998). In *Stomp, Inc. v. NeatO*, the court found sufficient
 18 minimum contacts for specific jurisdiction when the defendant used its website as a
 19 "virtual store" where "consumers [could] view descriptions, prices and pictures of
 20 various products [and could] add items to their 'virtual shopping cart' and 'check out' by
 21 providing credit card and shipping information," because the defendant, "by advertising
 22 and offering its products for sale via the Internet, . . . placed its products into the stream
 23 of commerce intending that they would be purchased by consumers with access to the
 24 Web," even if few consumers actually purchased the products in the forum state. 61
 25 F.Supp.2d 1074, 1077-79, n.7 (C.D. Cal. 1999). Likewise, in *Park Inns International v.*
 26 *Pacific Plaza Hotels*, the court found minimum contacts because the defendant not only
 27 operated an interactive website that infringed on the plaintiff's marks, but solicited
 28 individuals in the state using such marks. 5 F. Supp. 2d at 764-766 (finding that

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1 combined effect of operating an interactive website, conducting business solicitations
2 through other channels in the forum, and using the infringing marks in the process
3 represented tortious actions expressly directed to the forum state).

4 Here, the evidence confirms that Defendant is conducting business solicitations
5 through channels directed at Arizona and selling (or, at least, facilitating the sale of) the
6 infringing products to Arizona. As discussed in the Response and supported by the
7 original Declaration of Joshua Kesselman filed as an Exhibit to the Response (the
8 “Original Kesselman Declaration”), Defendant has deliberately and consistently placed
9 the infringing products into the stream of commerce intending that they be purchased by
10 consumers in Arizona and has structured its business to make the sale of those products
11 to Arizona residents possible. Not surprisingly, as the new evidence confirms, Defendant
12 has, at a minimum, served as the fulfillment or distribution source for the sale of those
13 same infringing products to Arizona.

14 Together, and contrary to Defendant’s assertions, Defendant has purposefully
15 directed its tortious activities to Arizona, where Plaintiff has its domicile and principal
16 operations. Therefore, the evidence of Defendant’s activities satisfies the first and second
17 requirements of the *Calder* test.

18 The third *Calder* requirement is also satisfied. Under that requirement,
19 “foreseeable harm,” a court looks at whether the defendant’s conduct caused harm that
20 the defendant knew was likely to be suffered in the forum. *Brayton Purcell*, 606 F.3d at
21 1131. In that regard, the Ninth Circuit determined that a website, offering services that
22 have “foreseeable effects” in the forum, satisfied the third requirement of the *Calder* test.
23 *Id.*

24 The newly discovered evidence in this matter confirms that Defendant not only
25 operates an active website, designed to send JUICY EJUCE products to customers in
26 Arizona, but also has an online store on Defendant’s website that is, and has been,
27 designed to facilitate sales to residents of Arizona. The new evidence indicates further
28 that Defendant is (at the very least) fulfilling purchases of the infringing products by

1 Arizona residents, even when that purchase is made through the website of a co-
2 defendant.

3 This arrangement is not an isolated arrangement or unexpected event. As the
4 Original Kesselman Declaration revealed, Defendant has enabled Arizona residents using
5 the www.juicyejuce.com website to receive e-mail solicitations for the infringing
6 products and Defendant has regularly sent those solicitations to a resident of
7 Arizona. Now, the newly discovered evidence reveals that Defendant has sent both
8 purchases of the infringing products and regular e-mail solicitations for the sale of the
9 infringing products to Arizona, where Plaintiff has its domicile and where it is being
10 harmed by those actions.

11 The ultimate effect of these deliberate contacts with Arizona creates (and has
12 resulted in) a foreseeable harm to Plaintiff, an Arizona limited liability partnership that
13 has its principal place of business in Arizona. Therefore, the new evidence confirms that
14 Defendant knew that harm in Arizona was foreseeable, satisfying the third of the three
15 prongs of the *Calder* test.

16 For the reasons set forth here and in the Response, the Plaintiff respectfully
17 requests that the Court deny Nikki's Motion. If the Court needs additional evidence prior
18 to determining whether personal jurisdiction may be exercised, in the alternative, Plaintiff
19 requests that the Court allow Plaintiff to conduct further discovery regarding the
20 Defendant's role in the sales of the infringing product, including those offered for sale
21 through the website available at www.juicyejuce.com.

22
23 RESPECTFULLY SUBMITTED this 9th day of December, 2013.

24 GREENBERG TRAURIG, LLP

25
26 By: /s/ Frank G. Long
27 Frank G. Long
28 Katherine V. Brown
*Attorneys for Plaintiff BBK Tobacco &
Foods, LLP, d/b/a HBI International*

CERTIFICATE OF SERVICE

☒ I hereby certify that on December 9, 2013, I electronically transmitted the attached document to the Clerk's Office using CM/ECF System for filing and distribution to the following registered participants of the CM/ECF System:

Garland A. Brown, Jr.
WEISS BROWN, PLLC
6263 N. Scottsdale Road, Suite 143
Scottsdale, AZ 85250

Christopher D. Payne
PAYNE LAW OFFICE
6263 N. Scottsdale Road, Suite 340
Scottsdale, AZ 85250

*Co-Counsel for Defendants Juicy eJuice,
Vapour LTD, and OTC Productions, Inc.*

Eric E. Lynch
James J. Farley, II
MECKLER BULGER TILSON MARICK &
PEARSON LLP
16220 North Scottsdale Road, Suite 270
Scottsdale, Arizona 85254

*Attorneys for Defendant Nikki's Vapor Bar,
USA, Inc.*

☐ I hereby certify that on _____, 2013, I will serve the attached document by electronic mail and First Class United States Mail on the following, who are not registered participants of the CM/ECF System:

By: /s/ Linda Bullis
Employee, Greenberg Traurig, LLP

LAW OFFICES
GREENBERG TRAURIG
2375 EAST CAMELBACK ROAD, SUITE 700
PHOENIX, ARIZONA 85016
(602) 445-8000